



**INTERNATIONAL  
TAXICAB AND LIVERY  
ASSOCIATION**

TAXICAB SERVICES  
PREMIUM SERVICES  
CONTRACTED & PARATRANSIT SERVICES

FAX: 1 Page

November 26, 1997

To: Ken Simonson

Fr: Al LaGasse

Re: Toll-free Calls from Payphones

Case Study (only one company could provide this information on such short notice)

Anthony Palmeri, president of LA Taxi Co-Op and ITLA's new president, operates seven taxicab fleets in the greater Los Angeles area. In all, his fleets operate 850 taxicabs and 100 vans and buses. His company currently has 25 toll-free numbers through Pacific Bell, MCI and AT&T. Last month, his fleets received 153,398 toll-free calls. He estimates that between 10 and 15% of the calls originate from a payphone. Therefore, if one assumes that an average of 12.5% come from a payphone, then 19,175 calls per month will incur the new fee. At \$0.30 per call, the increased cost incurred for the company's toll-free lines would be \$5,752.50 per month or \$69,030 per year. The company's annual gross income is approximately \$21 million. Its operating ratio is roughly 92%, meaning that its net income is \$1.68 million. Therefore, the additional payphone costs will be over 4% of the company's annual net income.

The company's monthly cost for its toll-free lines has been \$20,280 in the past. That monthly charge will jump by \$5,752.50 or 28.4%. On an annual basis, the increase will be from \$243,360 to \$312,390, over \$69,000 more.

It is also important to note that 61,185 of the monthly toll-free calls (39.9%) come from people who participate in the city subsidized Access Ride Program for disabled, low income, and other transportation disadvantaged riders.

Summary of ITLA

The International Taxicab and Livery Association (ITLA), formed in 1917, serves as the national organization that represents the owners and managers of taxicab and livery (e.g., limousine, executive sedan, airport shuttle, contracted and paratransit) fleets. ITLA has more than 900 member fleets that operate more than 75,000 passenger vehicles. ITLA member companies transport approximately 2.2 million passengers each day — more than 900 million passengers annually. ITLA also serves as the FCC-certified frequency advisory committee for the taxicab and livery industry.

The taxicab and livery industry is an essential part of public transit that is vital to this country's commerce and mobility, to the relief of traffic congestion, and to improving the environment. The taxicab and livery industry transports two billion (20%) of public transit's ten billion annual passengers; provides half of all the specialized paratransit services furnished to persons with disabilities; serves as a feeder service to major transit stations and airports, and provides 60% of its service to transportation disadvantaged people, such as the elderly, who are not able to drive or do not have a car.

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

<b>In the Matter of</b>	)	
	)	
<b>Implementation of the Pay Telephone</b>	)	<b>CC Docket 96-128</b>
<b>Reclassification and Compensation</b>	)	
<b>Provisions of the Telecommunications</b>	)	
<b>Act of 1996</b>	)	

**DECLARATION OF BRAINERD W. LATOURETTE, JR.**

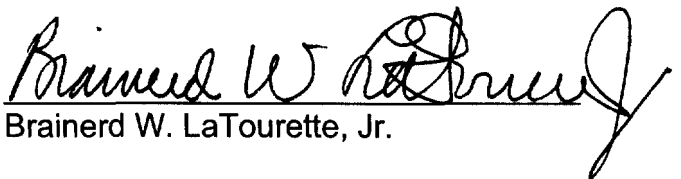
1. I am Senior Vice President and General Counsel of UniGroup, Inc., parent corporation of United Van Lines, Inc. Mayflower Transit, Inc. and 38 other carriers and forwarders, all of whom are members of the American Movers Conference. I have represented household goods carriers and general freight carriers, including the UniGroup companies, for over 40 years and am thoroughly familiar with the manner in which such carriers conduct business.

2. Collectively, the UniGroup companies have over 10,000 qualified pieces of power equipment (tractors and straight trucks) and 8500 qualified drivers. The UniGroup companies handled over 500,000 shipments during the past year. It is standard practice for the van operators of the UniGroup companies to telephone headquarters in order to obtain shipment assignments, loading and unloading directions and to provide pick up and delivery status reports using dedicated inbound watts lines("800 numbers").

3. In the past twelve months, approximately 10,200,000 telephone calls were placed to the UniGroup companies from persons using the 800 numbers. Given the nature of the operational system uses by the UniGroup companies, It is reasonably and conservatively estimated that 25% of those calls came from pay phones. UniGroup has two primary long distance carriers, one of which will be charging \$.28 per call and one which intends to charge \$.30 per call. For

planning purposes, the UniGroup companies have estimated that the proposed charges would result in an additional communications costs in excess of \$825,000, increasing the communications charges for the UniGroup companies by over fifteen percent (15%). Communications charges are the second largest general and administrative expense for the UniGroup Companies, after salaries and a 15% increase in such expenses is unduly burdensome.

I affirm under the penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

  
Brainerd W. LaTourette, Jr.

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of	)	
	)	
Implementation of the Pay Telephone	)	
Reclassification and Compensation	)	Docket 96-128
Provisions of the Telecommunications	)	
Act of 1996	)	
	)	

DECLARATION OF JAMES H. MCKINNY

1. I am the President and General Manager of Davis Transport, Inc. ("Davis"), whose address is 216 Trade Street, Missoula, Montana 59807. Davis has employed me for 21 years and I have worked in my present position for seven months. Prior to April of 1997 I was the Executive Vice President in charge of Operations. I held that position for more than ten years. Davis is a member of the Truckload Carriers Association.

2. In my capacity as President and General Manager, I had direct oversight responsibility for managing the movement of Davis's vehicles in the conduct of its transportation business. I oversaw the dispatch of those vehicles to both shipper and receiver locations, the monitoring of those vehicles while performing the transportation service, and all other communications with the vehicle drivers

during the transportation operation. I am therefore familiar with the types and levels of telephone communications between Davis and its drivers in the conduct of our business. I am acting within the scope of my corporate authority in making this Declaration. I have read this Declaration and have personal knowledge of the matters of fact stated and alleged in it.

3. Davis is a truckload carrier providing transportation services in the continental 48 states and six provinces in Canada. Davis provides an on-call service to our customers, who call our dispatch offices requesting vehicles which may be used for the transportation of shipments to any point covered by our authority in the United States and Canada.

4. To conduct both its interstate and intrastate transportation operations, Davis has a fleet of 162 tractors and 168 trailers. To operate that equipment, Davis uses the services of 126 leased driver employees and 36 independent owner operators.

5. Each of Davis's 162 drivers must communicate with Davis by way of its 800 (toll-free telephone) lines. The reasons for these calls vary. Each driver must make a daily call to give Davis a location and progress report. After the driver delivers his load, he must call Davis to report the location and time he became available for another shipment. The driver will then call into the operations department regarding load dispatch information. Because of the need to coordinate vehicles with available loads, immediate dispatch is not often

available, which means drivers must make multiple calls before they can be assigned a load. Some dispatch areas may vary, but it seems to average two to three inbound driver calls before a dispatch is finalized. Once the driver loads the material, he is required to make another call to Davis to verify shipping/bill of lading numbers, customer phone numbers, and to estimate his delivery schedule. Each load probably averages from four to five driver calls to complete.

6. Davis's average length of haul is approximately 1600 miles. Its drivers work an average of 23.60 days per month and average 5.78 loads per month. Using these averages, each of Davis's drivers makes approximately 53 calls per month regarding dispatch and operational issues, including a daily progress call.

7. Davis's drivers also contact it for a variety of other reasons, including calls to the Safety Department, calls relating to maintenance and repair, calls related to federal safety regulations, accidents and claims or calls relating to payroll and driver-initiated paperwork. In addition, we receive numerous driver recruiting and employee verification calls.

8. Because of the long haul nature of a Davis driver's job, the average driver is away from home for a period of from four to six weeks. Davis has provided its drivers with a voice mail system that allows them convenient contact with family and friends through an 800 toll-free telephone number. Our records show that this 800 number received approximately 10,000 calls during the month of September, 1997.

9. During the month of September 1997, we received in excess of 26,000 calls to our toll free numbers. Discussions with drivers reveal that about 95% of those calls were made from pay phones. MCI has told us that each call made to our 800 numbers from a pay phone will incur on our account a surcharge of 30 cents. Our total monthly increase will be approximately \$7,410. The annual increase is projected to be in excess of \$89,000. To put this in perspective, this represents a 50% increase in our telephone bill. It also represents 18% and 34% of our net income for the 10 months ending October 31, 1997 and the year ending December 31, 1997 respectively.

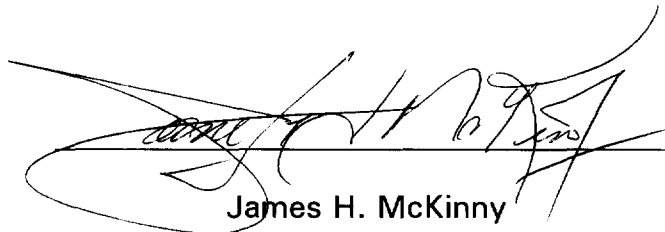
10. Davis's drivers have little choice as to payphones they can use. Few locations can accommodate Davis's 80,000-pound equipment besides truckstops and public rest areas. The costs of operating a large vehicle make it economically impossible for our drivers to search for alternative payphone locations. Additionally, federal restrictions on driving time and vehicle access make it impossible for our drivers to seek payphone alternatives.

11. At truckstops and rest areas, public payphones are in constant demand. Although each driver's use of the phone is relatively brief, there are usually lines waiting to use the phones. Conversations with drivers indicate that the pay phones at truck stops are used at least 200 times per day to initiate 800 number calls. At that rate, an average truck stop pay phone would generate around 6,000 calls per month, producing more than \$1,700 in monthly

revenue for the pay phone provider.

12. At truckstops and rest areas, there is almost never a choice as to competing payphones. Based on the experience of Davis's drivers, each truckstop location provides exclusive access to a single payphone provider and the drivers have no choice but to deal with that provider.

I affirm under the penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.



James H. McKinny

antevil\legal\Davis



Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of	)	
	)	
Implementation of the Pay Telephone	)	
Reclassification and Compensation	)	CC Docket 96-128
Provisions of the Telecommunications	)	
Act of 1996	)	
	)	

DECLARATION OF JOHN R. POPE

1. I am the Vice President for Catawba Rental Co., Inc. ("Catawba"), whose address is 3350 N. Oxford Street, Claremont, NC 28610. I have been employed by Catawba for 12 years and have worked in my present position for 2 years. Catawba is a member of American Trucking Associations, Inc.
2. In my capacity as Vice President, I have oversight responsibility for managing the movement of Catawba's vehicles in the conduct of its transportation business. I oversee the dispatch of those vehicles to customer shipper and receiver locations, the monitoring of those vehicles while performing the transportation service, and all other communications with the vehicle drivers during the transportation operation. I am therefore familiar with the types and level of telephone communications between Catawba and its drivers in the conduct of our business. I am acting within the scope of my corporate authority in making this declaration. I have read this declaration and have personal knowledge of the matters of fact stated and alleged in it.

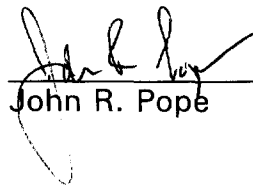
3. Catawba operates a truckload carrier division providing transportation services in the continental 48 states. Catawba provides an on-call service to our customers, who call our dispatch offices requesting vehicles which may be used for shipments to any point in the United States.
4. To conduct its interstate transportation operations (and an occasional intrastate movement), Catawba has a fleet of approximately 210 tractors and approximately 625 trailers. To operate that equipment, Catawba employs approximately 230 drivers.
5. Each of Catawba's 230 drivers must communicate with Catawba via its 800 line. The reasons for those calls are many. Catawba receives an average of 2 calls per driver per load.
6. Catawba's average length of haul is roughly 475 miles. Its drivers, who work between 20 and 25 days per month, haul on average 8 loads a month. Each of Catawba's drivers makes about 24 phone calls per month to Catawba regarding load assignment and delivery status.
7. Catawba's drivers also contact it for a variety of other reasons, including safety contact calls, calls related to vehicle maintenance or breakdown issues, calls related to federal safety regulations (for example, hours of service updates and questions, accidents and administrative issues (paperwork questions/problems and payroll, expense inquiries, etc.)). Therefore, each of Catawba's drivers make approximately 24 800 line calls per month to it for reasons unrelated to load assignment and delivery.
8. In total, each of Catawba's drivers makes about 48 800 line calls to Catawba per month. Discussions with drivers reveal that about 80% of those calls are made from payphones. Therefore, if Catawba is charged 30 cents for every

800 payphone call placed by its drivers, Catawba will incur a per-driver, per-month cost of approximately \$11.52 ( $48 \times .8 \times .30$ ). For all 230 of Catawba's drivers, the total monthly cost will be approximately \$2,600 per month or over \$31,200 per year.

9. Catawba's drivers have little choice as to payphones they can use. Few locations can accommodate Catawba's 80,000 pound equipment, mostly truckstops and public rest areas. The cost of operating a large vehicle (especially fuel costs) make it economically impossible for our drivers to search for alternative payphone locations. Additionally, federal restrictions on driving time and vehicle access make it impossible for our drivers to seek payphone alternatives.
10. Currently, Catawba is charged by its 800 line provider (MCI) approximately 9.5 cents per minute for its calls. So, for the average 4 minute call, Catawba pays 38 cents. Adding the 30 cent charge, the cost for the same call increases to 68 cents. Catawba has been unable to negotiate a flat charge with a lower than the 30 cent rate, and does not believe it will have the leverage to negotiate a better rate with another 800 number provider.
11. Catawba's average line monthly charge has been in the past roughly \$6,500 with respect to its drivers' calls. That monthly charge will increase by almost 40% to about \$9,100. On a yearly basis the increase will be from \$78,000 to \$109,200 over \$31,200 more.
12. Catawba's annual gross income is approximately \$34 million. Its operating ratio is roughly 96 %, meaning that its net income is \$1.4million. Therefore, Catawba's additional payphone costs will be over 2% of its annual net income.

13. Catawba believes that such an increase is unfair to a small business such as it. The payphone providers that Catawba must deal with will receive an enormous windfall at Catawba's expense. A windfall that Catawba lacks the market power to affect.

I affirm under the penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.



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Declaration of David M. Rich

1. I am the Manager for Reservations Business and Technology Planning for American Airlines ("AA"), whose address is 4200 Amon Carter Blvd., MD 2300, Fort Worth, Texas, 76155. I have been employed by AA for 7 years and have worked in my present position for 1 year.

2. In my capacity as Manager for Reservations Business and Technology Planning, I have oversight of all technology purchased and used by the AA reservations call centers in the domestic United States in support of its commercial airline business. In that capacity, I oversee all telecommunications services consumed in support of AA's reservations business. I am therefore familiar with the types of telephone communications between AA and its customers in the conduct of its business. I am acting within the scope of my corporate authority in making this sworn declaration. I have read this declaration and have personal knowledge of the matters of fact stated and alleged in it.

3. AA is a commercial airline providing primarily passenger airline transportation in the United States and to international locations. AA operates domestic reservations services at five locations in the Domestic United States,

which together employ approximately 5,800 Reservations Service Representatives. These services include flight departure and arrival information, reservations services, and other airline customer support services. AA Reservations annually receives more than 125 million 800/888 toll-free inbound calls annually. With an average call length of approximately 4 minutes, this equates to more than 500 million minutes of toll-free calling to AA annually.

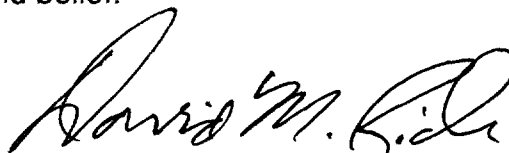
4. AA's customer service before and after a flight is dependent upon contact with its Reservations group. Customers call American's toll free numbers to check fares and availability, purchase and exchange tickets, confirm flight reservations, determine gate location and time for flight arrivals and departures, track lost baggage, and manage their frequent flier member information. Travel agents also call AA Reservations regarding special tariff calculations, group bookings, and other support services. Approximately one third of all AA customer reservations are made by AA Reservations.

5. AA has worked with its telecommunications services provider to estimate that approximately 4% of its total 800/888 call volume currently originates from pay phones. This equates to approximately 5,000,000 calls annually originating from pay phones. At the proposed pay phone surcharge rate of \$0.284, this will have a negative cost impact of approximately \$1.4 million annually. However, because AA has not historically tracked the number of its

impact of the pay phone surcharge could be much greater than the current estimate.

6. As a large user of 800/888 toll free services, AA is also concerned about the potential exposure to lucrative fraud opportunities afforded by the \$0.284 per call surcharge. Our Reservations group has calculated that continuous calls made from a single pay phone to 800/888 numbers at one minute intervals would generate gross revenue of \$149,270 annually. Thus, an individual could establish a pay phone line and make predicted or random calls to 800/888 numbers continuously to generate revenue. While this activity is subject to prosecution if uncovered, regardless of whether it is conducted through an automated dialer or by individuals, it would be very difficult and costly for a large user of 800/888 toll free numbers to detect. The potential liability associated with this illegal activity could be very substantial not just to AA, but to similar travel industry reservations services.

I affirm under the penalty of perjury that the foregoing is true and accurate to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "David M. Rich", with a stylized, cursive script.

David M. Rich

November 26, 1997

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of	)	
	)	
Implementation of the Pay Telephone	)	
Reclassification and Compensation	)	CC Docket 96-128
Provisions of the Telecommunications	)	
Act of 1996	)	
	)	

DECLARATION OF BARRY M. RILEY

1. I am the President for United Carriers Corporation, whose address is 140 Everett Avenue, Newark, Ohio 43055. I have been employed by United Carriers Corporation for 18 years and I have worked in my present position for 1 year. United Carriers Corporation is a member of American Trucking Associations, Inc.
2. In my capacity as President, I have oversight responsibility for managing the movement of the vehicles in the conduct of our transportation business. I oversee the dispatch of those vehicles to customer, shipper, and consignee locations, receiver locations, the monitoring of those vehicles while performing the transportation service, and all other communications with the vehicle drivers during the transportation operation. I am therefore familiar with the types and level of communications between United Carriers Corporation and its truck drivers in the conduct of our business. I am acting within the scope of my corporate authority in making this declaration. I have read this declaration and have personal knowledge of the matters of fact



stated and alleged in it.

3. United Carriers Corporation is a family of truckload carriers providing transportation services in the contiguous 48 states. All of the companies provide an on-call service to our customers, who call our dispatch offices requesting vehicles which may be used for shipments to any point in the United States.
4. To conduct its interstate transportation operations (and some intrastate movements), United Carriers Corporation has a fleet of approximately 300 tractors and approximately 1,000 trailers. To operate that equipment, United Carriers Corporation utilizes the services of approximately 300 drivers.
5. Each of United Carriers Corporation's 300 drivers must communicate with customers and operations via the company's 800 line. The reasons for the calls are many. First each driver must call operations regarding load dispatch information. Because of the need to coordinate vehicles with available loads, immediate dispatch is not often available, necessitating multiple calls before a load can be assigned. Multiple calls are also required when the customer has special needs or directions which must be given to the driver. On average each load generates an average of 1.03 calls per driver per load. Once a load is assigned, the driver then usually communicates with operations at least 2 times regarding customer demands, delivery schedules, loading and unloading issues, etc. From time to time updated directions to the consignee are needed, thus causing additional calls. So in total, each load requires on average 3.56 calls from a driver to his dispatch.
6. While United Carriers Corporation's length of haul varies by operation, an average length of haul would be 300 miles. Its drivers, who work between

19 and 20.8 days per month, haul on average 27.5 loads per month.

Therefore, each driver makes about 98 phone calls per month to United Carriers Corporation offices regarding load assignment and delivery status.

7. United Carriers Corporation's drivers also contact it for a variety of other reasons, including safety contact calls approximately 4 times per month, calls related to federal safety regulations, i.e. hours of service daily updates, approximately 20 per month, and approximately 2 per month relating to administrative issues. Therefore, in total each of United Carriers Corporation's drivers make approximately 26 800 calls to it for reasons unrelated to load assignment and delivery.
8. In total, each of United Carriers Corporation's drivers makes about 124 800 calls per month. Discussions with drivers reveal that about 60% of those calls are made from payphones. Therefore, if United Carriers Corporation is charged 28.4 cents for every 800 payphone call placed by its drivers, United Carriers Corporation will incur a per-driver, per-monthly cost of approximately \$21.13. For all of United Carriers Corporation's drivers, the total monthly cost will be approximately \$6,340.00 per month or over \$76,067.00 per year.
9. United Carriers Corporation's drivers have little choice as to the payphones they use. Few locations can accommodate United Carriers Corporation's 80,000 pound equipment, mostly truckstops and public rest areas. The cost of operating a large vehicle (especially fuel costs) make it economically impossible for our drivers to search for alternative payphone locations. Additionally, federal restrictions on driving time and vehicle access make it impossible for our drivers to seek payphone alternatives.

10. At truckstops and rest areas, public payphones are in constant demand.

Although each driver's use of the phone is relatively brief, there usually are lines of drivers waiting to use the available phones. An average truck stop pay phone would generate about 150 800 calls per day or 4,500 per month, producing about \$1,280 in monthly revenue for the payphone provider.

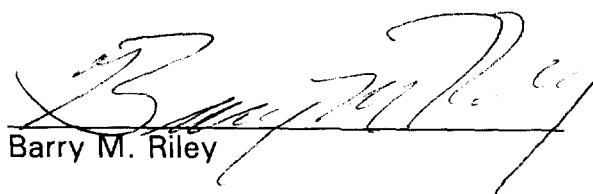
11. At truckstops and rest areas, there is almost never a choice between competing payphones companies. Based upon the experience of United Carriers Corporation's drivers, each truckstop location provides exclusive access to a single payphone provider and the drivers have no choice but to deal with that provider. For that reason, United Carriers Corporation could not request that certain payphone providers be blocked from United Carriers Corporation's line. The cost (even if it was possible) to United Carriers Corporation's drivers to make their call from another location would be prohibitive.

12. Currently, United Carriers Corporation is charged \$0.18/minute by its long distance provider (MCI). So, for the average 2.12 minute call, United Carriers Corporation pays 38 cents. Adding the 28.4 cent charge, will increase the cost of an average call to 67 cents. This is nearly a 75% increase in our costs. Additionally, United Carriers Corporation has been unable to negotiate a flat charge with MCI lower than 30 cents per call, and does not believe it will have the leverage to negotiate a better rate with another 800 provider.

13. United Carriers Corporation's phone charges for driver's call is expected to increase more than \$81,000 per year.

14. United Carriers Corporation's annual gross income is approximately \$30 million. Its operating ratio is roughly 94%, meaning that its net income is \$1,800,000. Therefore, United Carriers Corporation's additional payphone costs will be over 4.5% of its annual net income.

I affirm under the penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.



Barry M. Riley

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of	)	
	)	
Implementation of the Pay Telephone	)	
Reclassification and Compensation	)	FCC Docket 96-128
Provisions of the Telecommunications	)	
Act of 1996	)	
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DECLARATION OF CYNTHIA M. SCHAEFER

1. I am the Assistant Secretary and General Counsel for Victory Express, Inc. ("Victory"), whose address is 55 Victory's Safety Lane, Medway, OH 45341. I have been employed by Victory for over 10 years and have worked in my present position for 9 years. Victory is a member of the Truckload Carriers Association

2. In my capacity as Assistant Secretary and General Counsel, I have oversight responsibility for managing the business affairs of Victory. I review costs and expenses as well as the operational section of our business. I am therefore familiar with the types and level of telephone communications between Victory, its drivers, its customers, and its recruits in the conduct of our business. I am acting within the scope of my corporate authority in making this declaration. I have read this declaration and have personal knowledge of the matters of fact stated and alleged in it.

3. Victory is a truckload carrier providing transportation services in the continental 48 states. Victory provides an on-call service to our customers, who

call our customer service office requesting vehicles that may be used for shipments to any point in the United States.

4. To conduct its interstate transportation operations (and an occasional intrastate movement), Victory has a fleet of approximately 500 tractors and approximately 1,100 trailers. To operate that equipment, Victory employs approximately 550 drivers.

5. Each of Victory's 550 drivers must communicate with it via its 800 (toll-free telephone) line. The reasons for those calls are many. Although Victory maintains satellite communications in its vehicles, many dispatches require verbal communication due to customer mandate or the complexity of the dispatch. Because of the need to coordinate vehicles with available loads, immediate dispatch is not often available, necessitating multiple calls before a load can be assigned. An average of 3 calls per driver per verbally dispatched load may be required. Once a load is assigned, the driver then usually communicates with Victory at least twice regarding customer demands, delivery schedules, loading and unloading issues, etc. So in total, each verbally dispatched load requires on average 5 calls from a driver to Victory.

6. Victory's drivers are verbally dispatched on loads 3-4 times per week. An average of 5 calls per verbally dispatched load at 3-4 times week averages 20 calls per week per driver. Therefore, each driver averages 80 calls per month just for dispatch information (20 calls x 4 weeks/month).

7. Victory's drivers also contact it for a variety of other reasons, including safety contact calls (4 per month), calls related to vehicle maintenance or

breakdown issues (3 per month), calls related to federal safety regulations (for example, hours of service updates and questions (4 per month), accidents (1 on average per month -- a driver that is involved in an accident makes many calls related to that accident, but few drivers are involved in even minor accidents during a given month), and administrative issues (3 per month) (paperwork questions/problems and payroll, expense inquiries, etc.). Victory also maintains an 800-line for drivers' families to leave voice mail messages for the driver. Drivers typically check their voice mail for messages five times per week via the 800-line from a pay phone. Therefore, in total each of Victory's drivers makes approximately thirty-five 800-line calls each month to it for reasons unrelated to load assignment and delivery.

8. In total, each of Victory's drivers makes about 115 800-line calls to Victory per month. Discussions with drivers reveal that about 80% of those calls are made from payphones. Therefore if Victory is charged 28.4 cents for every 800-line payphone call placed by its drivers, Victory will incur a per-driver, per-month cost of approximately \$26.13 ( $115 \times .8 \times .284$ ). For all five hundred fifty of Victory's drivers, the total monthly cost will be approximately \$14,370.40 per-month or \$172,444.00 per-year.

9. Victory's drivers have little choice as to payphones they can use. Few locations can accommodate Victory's 80,000 pound equipment besides truckstops and public rest areas. The cost of operating a large vehicle (especially fuel costs) makes it economically impossible for our drivers to search for alternative payphone locations. Additionally, federal restrictions on driving time and vehicle access make

it impossible for our drivers to seek payphone alternatives.

10. At truckstops and rest areas, public payphones are in virtual constant demand. Although each driver's use of the phone is relatively brief (2 minutes on average), there are usually lines waiting to use the phones. Conversations with drivers indicate that the payphones at truckstops are used at least 200 times per day to initiate 800 number calls. At that rate, an average truckstop payphone would generate around 6,000 calls per month, producing over \$1,700 in monthly surcharge revenue for the payphone provider.

11. At truckstops and rest areas, there is almost never a choice as to competing payphones. Based on the experience of Victory's drivers, each truckstop location provides exclusive access to a single payphone provider and the drivers have no choice but to deal with that provider. For that reason, Victory could not request that certain payphone providers be blocked from Victory's line. The cost (even if it was possible) for Victory's drivers to make their call from another location would be prohibitive.

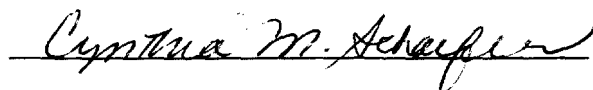
12. Currently, Victory is charged by its 800 line provider (AT&T) approximately 19 cents per minute for its calls. So, for the average 2 minute call, Victory pays 38 cents. Adding the 28.4 cent charge almost doubles the cost for the same call to 66.4 cents. Victory has been unable to negotiate a flat charge with AT&T lower than the 28.4 cent rate, and does not believe it will have the leverage to negotiate a better rate with another 800 number provider. Victory also does not have any way to monitor calls made by its drivers to verify AT&T's charges.



13. AT&T has also implemented a flat 10% surcharge on all 800-line charges to recover some of its costs due to the Telecommunications Act of 1996. AT&T expects another increase next year. Victory's monthly 800-line charges were approximately \$28,053.78. The 10% surcharge has increased this average to \$30,859 per month. Since the cost of an average call would double, the cost of our monthly charges could double from the \$30,859 to \$61,718 per month. On a yearly basis, the increase in our 800-line charges would more than double from \$336,645 prior to surcharges to \$740,616.

14. Victory's annual gross revenue is approximately \$63 million. Its operating ratio is roughly 91%, meaning that its net income is \$ 5.7 million. Therefore, Victory's additional payphone costs will be over 12.8% of its annual net income.

I affirm under the penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

A handwritten signature in cursive script, reading "Cynthia M. Schaefer", written over a horizontal line.

Cynthia M. Schaefer